

BUDGET & PERSONNEL COMMITTEE MEETING

A G E N D A

TOWN OF CHINCOTEAGUE

August 28, 2007 - 5:30 P.M. – Council Chambers – Municipal Center

CALL TO ORDER

OPEN FORUM / PUBLIC PARTICIPATION

AGENDA ADOPTION

-
1. Consider changes to the Code (Section 46-17) for Trash Fee Relief
 2. Committee Member Comments

ADJOURN

MEMORANDUM

To: Budget and Personnel Committee

From: Mike Cosby, Public Works Director

Date: September 12, 2007

Subject: Proposed addition to Sec. 46-17 of Town Code

I suggest that the following be added to the Town Code section that pertains to trash collection fees:

- (c) Any parcel that qualifies for exemption from real estate taxes pursuant to section 54-93 shall also be exempt from solid waste collection fees.

Subdivision II of the Real Estate Tax Division of our Town Code defines the administration, eligibility, application, and other terms for real estate tax relief. The Accomack County Code is almost identical to ours and I can find no substantive conflicts related to our purposes. Currently the County reviews and approves applications from Chincoteague and supplies us with a list of qualified properties. If we tie our offer of trash fee relief to meeting the eligibility qualifications through the County we can eliminate any significant administrative burden related to providing this benefit. In short, the eligibility requirements are:

- 1- Title to property must be held on December 31 immediately preceding the taxable year. Application requirements state that claims for exemption must be made after January 1 and before April 1. We have the list for 2006 (about 35 properties), and I believe we could obtain the list for 2007 in short order. Those not on the list could apply for exemption starting January 1. Proportionate exemptions may be granted for shared ownership of property. A few of those on the 2006 list qualify for 50 percent relief. I wrote the proposed code addition vaguely so that we could offer full and partial qualifiers exemption from the trash charges.
- 2- Head of household must be 65 years old or permanently and totally disabled. The dwelling must also be occupied and the sole dwelling of the applicant. Further definitions for these requirements are spelled out in other sections of the codes.
- 3- Total combined income of owner(s) and owner's relatives living in the dwelling cannot exceed \$17,500. If there are relatives present some of their income is excluded.
- 4- Net combined financial worth of owner and spouse may not exceed \$50,000, not including value of the dwelling and land, not exceeding one acre.

- 5- Person claiming exemption must file an annual affidavit with the commissioner of revenue certifying that he is still exempt.
- 6- The Chincoteague Code allows the town manager to rely on determinations made by the commissioner of revenue.

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Sec. 46-3. Deposits on sidewalks, streets, lanes, alleys.

No person shall throw upon any sidewalk, street, lane or alley any paper, rags, old shoes, tin cans, bottles, fruit or vegetable peelings, glass, decayed fruit, dead animals or any other refuse or waste.

(Code 1977, § 8-2)

Cross reference—Streets, sidewalks and other public places, ch. 50.

Secs. 46-4—46-15. Reserved.

DIVISION 2. FEES AND BILLING

Sec. 46-16. Solid waste collection fees.

The town council shall designate certain reasonable weekly rates to be paid for the collection of solid waste, which the weekly rate shall be set each year at the time of establishing the annual budget, and which weekly rates shall apply for that year. The town manager shall bill residents and commercial businesses in accordance with the weekly rates established by the council and shall be in charge of collecting these charges.

(Amended 6/4/07)

Sec. 36-17. Billing and other charges.

(a) All habitable dwelling units shall be assessed per parcel and charged to the property owner and not the tenant(s) of each parcel.

(b) All solid waste will be billed quarterly and shall be delinquent 30 days after the billing date, with an applicable interest per month charge.

(Amended 6/4/07)

Secs. 46-18—46-30. Reserved.

ARTICLE II. COLLECTIONS

DIVISION I. GENERALLY

Sec. 46-31. Tree trimmings.

All tree trimmings shall be broken into lengths of not more than 40 inches and tied with cord.

(Code 1977, § 8-14)

Sec. 46-32. Removal of disease-bearing refuse.

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(c) If any town taxes, penalties and/or interest imposed under this article are not paid when due and such delinquent account is turned over to an attorney or private collection agency for collection, there shall be added to the town taxes, penalties and interest due an attorney's or collection agency fee in the amount of 20 percent of the amount of taxes, penalties and interest otherwise due.

(d) There is imposed on delinquent taxpayers an administrative cost fee, which shall be in addition to all penalties, interest, attorney's fees and collection agency's fees, in the amount of \$20.00 for taxes collected subsequent to the filing of a warrant or other appropriate legal document but prior to judgment and in the amount of \$25.00 for taxes collected subsequent to judgment.

(e) This section shall be effective for any taxes and/or penalties remaining due as of June 18, 1998 and for any taxes and/or penalties thereafter becoming due under this article. (Code 1977, § 6-4; Ord. of 6-18-1998)

Secs. 54-33—54-60. Reserved.

DIVISION 2. REAL ESTATE TAX

Subdivision I. In General

Sec. 54-61. Levied.

(a) There is levied an annual tax on real property within the corporate limits at the rate of \$0.10 per \$100.00 of valuation, which tax shall be administered as provided generally in Code of Virginia, § 58.1-3200 et seq. (Amended 06-02-03)

(b) There is hereby levied an annual tax on real property and mobile homes within the corporate limits at the rate of three cents per one hundred dollars (\$0.03/100) of valuation, which tax shall be used for the control of mosquitoes by drainage, fogging, larvaciding, aerial spraying, etc. within the corporate limits. Revenue received shall be maintained as an enterprise fund of the town. The mosquito control program shall be administered by a two-member committee of council.

(Code 1977, § 6-1; Ord. of 6-18-1998; Ord. of 10-19-2000 (b)) (Amended 06-02-03)

Secs. 54-62—54-90. Reserved.

*Subdivision II. Exemptions for Elderly and Handicapped**

Sec. 54-91. Definitions.

The following words, terms and phrases, when used in this subdivision, shall have the meanings ascribed to them in this section, except where the context clearly indicates a

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different meaning:

Commissioner of the revenue means the commissioner of the revenue of the county or any of his duly authorized deputies or agents.

Dwelling means the full-time residence of the person claiming exemption.

Exemption means exemption from the town real estate tax according to this subdivision.

Net combined financial worth means all assets of the owners of the dwelling who reside therein and of the spouses of any such owners, including equitable interest, excluding the value of the dwelling and the land in an amount not to exceed one acre upon which it is situated. For determination of value of real estate properties, the fair market value shall be used.

Permanently and totally disabled means unable to engage in any substantial gainful activity because of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person's life.

Property means real property.

Taxable year means the calendar year, from January 1 through December 31, inclusive, for which exemption is claimed.

Total combined income means total income from all sources of the owners of the dwelling who use it as their principal residence and of any relatives of the owners who reside in the dwelling.

Town manager means the town or any of his duly authorized deputies or agents.
(Code 1977, § 6-52)

Cross reference—Definitions generally, § 1-2.

Sec. 54-92. Administration.

The exemption granted under this subdivision shall be administered by the town manager. The town manager is authorized and empowered to prescribe, adopt and enforce rules and regulations, including the requirement of answers under oath, as may be reasonably necessary to determine qualifications for exemption. The town manager may require production of certified tax returns and appraisal reports to establish income or financial worth.
(Code 1977, § 6-53)

Cross reference—Administration, ch. 2.

***State law reference**—Exemptions for elderly and handicapped, Code of Virginia, § 58.1-3210 et seq.

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Sec. 54-93. Eligibility.

Under this subdivision, the exemption shall be granted to persons subject to the following:

- (1) The title to the property for which exemption is claimed is held or partially held, on December 31, immediately preceding the taxable year by the person claiming exemption. If the ownership of the property for which application for exemption is made is not held solely by the applicant or jointly with the applicant's spouse, the amount of the tax exemption shall be in proportion to the applicant's ownership interest in the subject real property, as that ownership may appear.
- (2) The head of the household occupying the dwelling and owning title or partial title thereto is 65 years or older on December 31 of the year immediately preceding the taxable year, or such person is permanently and totally disabled as defined in this subdivision and was so on December 31 of the year immediately preceding the taxable year. Such dwelling must be occupied as the sole dwelling of the person claiming exemption.
- (3) The total combined income of the owners during the year immediately preceding the taxable year shall be determined by the town manager to be an amount not to exceed \$17,500.00. Total combined income shall include from all sources of the owners, spouses, and of the owner's relatives living in the dwelling for which exemption is claimed; provided, however, that the first \$6,500.00 of annual income of the owner's relatives living in the dwelling other than the spouse's shall be excluded in computing total combined income.
- (4) The net combined financial worth as of December 31 of the year immediately preceding the taxable year of the owners and of the spouse of any owner shall be determined by the town manager to be an amount not to exceed \$50,000.00. Net combined financial worth shall include the value of all assets, including equitable interests of the owners and the spouse of any owner, excluding the fair market value of the dwelling and the land, not exceeding one acre, upon which it is situated and for which exemption is claimed.
- (5) The person claiming exemption files annually with the commissioner of the revenue an affidavit as required and shall present to the town manager certification of such affidavit as provided in this subdivision.
- (6) In making the determinations provided for in this section, the town manager may rely on such determinations as may be made by the commissioner of the revenue for exemptions from county taxes.

(Code 1977, § 6-54; Ord. of 3-15-1993 (3), (4)) (*Amended 07/07/03*)

Sec. 54-94. Application.

(a) Annually after January 1 and before April 1 of the taxable year, the person claiming an exemption pursuant to this subdivision shall file with the commissioner of the revenue, on forms supplied by the commissioner of the revenue, an affidavit setting forth the location and assessed value of the property, the names of all the related persons occupying such real estate, the total combined income of the persons as specified in section 54-93(3), and the net

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combined financial worth of the persons as specified in section 54-93(4). If such person is under 65 years of age, such form shall have attached thereto a certification by the Social Security Administration, the Department of Veterans' Affairs or the railroad retirement board or, if such person is not eligible for certification by any of these agencies, a sworn affidavit by two medical doctors who are either licensed to practice medicine in the commonwealth or are military officers on active duty who practice medicine with the United States armed forces, to the effect that the person is permanently and totally disabled, as defined in Code of Virginia, § 58.1-3217; however, a certification pursuant to 42 USC 423(d) by the Social Security Administration so long as the person remains eligible for such social security benefits shall be deemed to satisfy such definition in Code of Virginia, § 58.1-3217. The affidavit of at least one of the doctors shall be based upon a physical examination of the person by such doctor. The affidavit of one of the doctors may be based upon medical information contained in the records of the civil service commission which is relevant to the standards for determining permanent and total disability as defined in Code of Virginia, § 58.1-3217. The commissioner of the revenue shall also make such further inquiry of persons seeking an exemption requiring answers under oath, as may be reasonably necessary to determine qualifications therefor, including qualifications as permanently and totally disabled. The commissioner of the revenue is authorized to require the production of certified tax returns to establish the income or financial worth of any applicant for the exemption.

(b) If, after audit and investigation, the commissioner of the revenue determines that the person is qualified for exemption, he may so certify by letter to the applicant applying for exemption, and the applicant shall present a copy of such certifying letter to the town manager. The town manager may deduct the amount of the exemption from the claimant's real estate tax liability for the taxable year in question or may conduct such further investigation as he may deem necessary as stated in section 54-92.

(Code 1977, § 6-55) (*Amended 07/07/03*)

Sec. 54-95. Schedule.

Where the person claiming exemption pursuant to this subdivision conforms to the standards and does not exceed the limitation contained in this subdivision, the real estate tax exemption shall be as shown on the following schedule:

<i>Total Combined Income from All Sources</i>	<i>Tax Exemptions</i>
\$12,501.00 to \$17,500.00	50%
\$0.00 to \$12,500.00	100%

(Code 1977, § 6-56; Ord. of 3-25-1993) (*Amended 07/07/03*)

Sec. 54-96. Additional considerations.

(a) The fact that persons who are otherwise qualified for tax exemption pursuant to this subdivision are residing in hospitals, nursing homes, convalescent homes or other facilities for physical or mental care for extended periods of time shall not be construed to mean that the real estate for which exemption is sought does not continue to be the sole dwelling of such persons during such extended periods of other residence so long as such real estate is not used

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by or leased to others for consideration.

(b) Changes in respect to income, financial worth, ownership of property or other factors occurring during the taxable year for which the affidavit is filed and having the effect of exceeding or violating the limitations and conditions provided in this subdivision shall nullify any exemption for the remainder of the current taxable year and the taxable year immediately following.

(c) For purposes of this subdivision, a mobile home shall be real estate if the owner's intention that it be permanently affixed is shown by the facts that it is anchored, skirted and connected to permanently installed water and sewer lines or facilities. It can be located on land belonging to persons described in section 54-93 or on rented land.

(Code 1977, § 6-57)

Sec. 54-97. Penalty for violation.

Any person falsely claiming an exemption or knowingly and intentionally furnishing false information under this subdivision or otherwise violating this subdivision shall be guilty of a misdemeanor and, upon conviction, may be punished by a fine not exceeding \$1000.00 or by confinement in jail not exceeding 12 months or both.

(Code 1977, § 6-58) (*Amended 07/07/03*)

Secs. 54-98—54-109. Reserved.

Subdivision III. Partial Exemption for Certain Rehabilitated, Renovated, or Replaced Structures or Improvements on Real Estate

Sec. 54-110. Definitions.

The following words, terms and phrases, when used in this subdivision, shall have the meanings ascribed to them in this subdivision, except where the context clearly indicated a different meaning:

Amount of Exemption means the amount equal to the increase in assessed value resulting from the rehabilitation, renovation, or replacement of qualified real estate as described hereunder as determined by the town assessment officer on January 1 of the year following the completion of the rehabilitation, renovation, or replacement of any structure or improvement on such real estate. An increase in the assessment occurring after the first year subsequent to such rehabilitation, renovation, or replacement, shall not result in an increase in such partial exemption or otherwise affect same.

Partial Exemption means exemption from a portion of the town real estate tax assessment and resulting tax that would otherwise be due by reason of said real estate being otherwise fully assessed and billed for real estate taxation purposes.

Qualifying Real Estate means:

DIVISION 2. ELDERLY AND HANDICAPPED EXEMPTION*

***State law references:** Exemptions for elderly and handicapped, Code of Virginia, § 58.1-3210 et seq.

Sec. 82-97. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Commissioner or commissioner of the revenue means the commissioner of the revenue of the county or any of his duly authorized deputies or agents.

Dwelling means the full-time residence of the person claiming exemption.

Exemption means exemption from the county real estate tax according to the provisions of this division.

Income shall be defined as the gross income from all sources, without regard to whether a tax return is actually filed. It shall not include life insurance benefits or receipts from borrowing or other debt.

Net combined financial worth means all assets of the owners of the dwelling who reside in the dwelling, and of the spouses of any such owners, including equitable interest, excluding the value of the dwelling and the land in an amount not to exceed one acre upon which it is situated. For determination of value of real estate properties, the fair market value shall be used.

Permanently and totally disabled means unable to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment or deformity that can be expected to result in death or can be expected to last for the duration of such person's life.

Property shall be defined as real property and manufactured homes.

Taxable year means the calendar year, from January 1 through December 31, inclusive, for which exemption is claimed.

Total combined income means total income from all sources of the owners of the dwelling residing in the dwelling and of any relatives of the owners who reside in the dwelling.

Treasurer or county treasurer means the treasurer of the county or any of his duly authorized deputies or agents.

(Code 1982, § 24.3(2); Ord. of 12-20-2000, § 2; Ord. of 12-18-2002(2), § 2)

Cross references: Definitions generally, § 1-2.

Sec. 82-98. Administration.

The exemption shall be administered by the commissioner of the revenue or his authorized delegate, according to the general provisions contained in the division. The commissioner is hereby authorized and empowered to prescribe, adopt and enforce rules and regulations, including the requirement of answers under oath, as may be reasonably necessary to determine qualifications for

exemption. The commissioner may require production of certified tax returns and appraisal reports to establish income or financial worth.

(Code 1982, § 24.3(3); Ord. of 12-20-2000, § 3)

Sec. 82-99. Eligibility for exemption.

Exemption shall be granted persons subject to the following provisions:

(1) The title to the property for which exemption is claimed is held or partially held, on December 31, immediately preceding the taxable year by the person claiming exemption. If the ownership of the property for which application for exemption is made is not held solely by the applicant, or jointly with the applicant's spouse, the amount of the tax exemption shall be in proportion to the applicant's ownership interest in the subject real property, as that ownership may appear.

(2) The head of the household occupying the dwelling and owning title, or partial title, is 65 years or older on December 31 of the year immediately preceding the taxable year, or such person is permanently and totally disabled and was so on December 31 of the year immediately preceding the taxable year. Such dwelling must be occupied as the sole dwelling of the person or persons claiming exemption. A dwelling jointly held by a husband and wife may qualify if either spouse is 65 or over or is permanently and totally disabled.

(3) The total combined income received from all sources during the year immediately preceding the taxable year by (i) owners of the dwelling who use it as their principal residence and (ii) owner's relatives who live in the dwelling, shall not exceed the greater of \$17,500.00, or the income limits based upon family size for the respective metropolitan statistical area, annually published by the Department of Housing and Urban Development for qualifying for federal housing assistance pursuant to § 235 of the National Housing Act (12 U.S.C. §1715z). Provided, however, that any amount up to \$6,500.00 of annual income of each relative who is not the spouse of an owner living in the dwelling and who does qualify for the exemption provided by subdivision 1 b of § 58.1-3211 of the Code of Virginia, as amended, may be excluded from the total combined income calculation. Any amount up to \$7,500.00 of income for an owner who is permanently disabled may also be excluded.

(4) The net combined financial worth, including the present value of all equitable interests, as of December 31 of the immediately preceding taxable year, of the owners and of the spouse of any owner, excluding the value of the dwelling and the land, not exceeding one acre, upon which it is situated shall not exceed \$50,000.00. Furnishings, such as furniture, household appliance and other items typically used in a home, may also be excluded.

(5) The person claiming exemption files annually with the commissioner of the revenue an affidavit as provided in section 82-100.

(Code 1982, § 24.3(4); Ord. of 12-20-2000, § 4; Ord. of 12-18-2002(2), § 3)

Sec. 82-100. Application for exemption.

(a) Annually after January 1 and before April 1 of the taxable year, the person or persons claiming an exemption shall file with the commissioner of the revenue, on forms supplied by such commission of the revenue, an affidavit setting forth the location and assessed value of the property; the names of all the related persons occupying such real estate; the total combined income of the persons as specified in subsection 82-99(3) above; and the net combined

financial worth of the persons as specified in subsection 82-99(4) above. If such person is under sixty-five years of age, such form shall have attached thereto a confirmation by the Social Security Administration, the Veteran's Administration, or the Railroad Retirement Board, or if such person is not eligible for certification by any of these agencies, sworn affidavit by two medical doctors license to practice medicine in the Commonwealth, to the effect that such person is permanently and totally disabled, as herein defined. The affidavit of at least one of such doctors shall be based upon a physical examination of such person by such doctor. The affidavit of one of the doctors may be based upon medical information contained in the records of the civil service commission which is relevant to the standards for determining permanent and total disability as herein defined. The commissioner of the revenue shall also make such further inquiry of persons seeking an exemption requiring therefore, including qualifications as permanently and totally disabled. The commissioner of the revenue is hereby authorized to require the production of certified tax returns to establish the income or financial worth of any applicant for exemption from tax hereunder.

(b) If, after audit and investigation, the commissioner of the revenue determines that the person or persons are qualified for exemption, shall so certify the same to the county treasurer who shall deduct the amount of the exemption from the claimant's real estate tax liability for the taxable year in question.

(Code 1982, § 24.3(5); Ord. of 12-20-2000, § 5)

Sec. 82-101. Exemption schedule.

Where the person or persons claiming exemption conforms to the standard and does not exceed the limitations contained herein, the real estate tax exemption shall be as shown on the following schedule:

TABLE INSET:

Total Combined Income From All Sources	Tax Exemptions
\$12,501.00 to \$17,500.00	50%
\$0.00 to \$12,500.00	100%

Provided, however, the maximum annual exemption of any one property shall not exceed \$400.00.

(Code 1982, § 24.3(6); Ord. of 12-20-2000, § 6; Ord. of 12-18-2002(2), § 4)

Sec. 82-102. Additional provisions.

(a) The fact that persons who are otherwise qualified for tax exemption are residing in hospitals, nursing homes, convalescent homes or other facilities for physical or mental care for extended periods of times shall not be construed to mean that the real estate for which exemption is sought does not continue to be the sole dwelling of such persons during such extended periods of other residence so long as such real estate is not used by or leased or others for consideration.

(b) Changes in respect to income, financial worth, ownership of property or other factors occurring during the taxable year for which the affidavit is filed and having the effect of exceeding or violating the limitations and conditions provided in this division shall nullify any exemption for the then current tax year and the taxable year immediately following.

(c) For purposes of the division, a mobile home shall be real estate if the owner's intention that it be permanently affixed is shown by the facts that it is anchored, skirted and connected to

permanent water and sewer lines or facilities. It can be located on land belonging to persons described in section 82-99 or on rented land.

(Code 1982, § 24.3(7); Ord. of 12-20-2000, § 7)

Sec. 82-103. Penalties for violation of division.

Any person or persons falsely claiming an exemption or knowingly and intentionally furnishing false information hereunder or otherwise violating this division shall be guilty of a misdemeanor and upon conviction thereof may be punished by a fine not exceeding \$1,000.00 or by confinement in jail not exceeding 12 months, or both.

(Code 1982, § 24.3(8); Ord. of 12-20-2000, § 8)

Secs. 82-104--82-125. Reserved.